

Finance Report for DCEO Steering Group

Financial Year 2017/18, August 2017

Executive Summary

Partially through quarter 2, forecast and costs remain within our accepted variance level. There are no material variances that cause concern at this stage of the year.

Risks, Challenges and Opportunities

Whilst a large recruitment campaign is underway, a very real challenge is evolving with regards potential failed recruitment campaigns and the ability to divert unused resources at short notice into relevant business initiatives.

The pay business case has now been submitted to DCMS with a requested response deadline of early October. The outcome of the business case poses a significant opportunity for the ICO to utilise funds more efficiently as planned but also poses a significant challenge with budgeting if unsuccessful. It is expected that staff costs will be materially increased to cover the additional agency cost and IR35 additional tax charges of using specialised consultants.

Budget planning for 2018/19 has now commenced with a view to sign off with DCEO SG and SLT in November. There is a significant opportunity within the planning process to align short to medium term business plans with the 2018/19 budget and link this to a formal milestone review process. This will help in quantifying our frontline results and assigning resources effectively.

The next finance report in October will outline the budget changes from Qtr1 to Qtr2. This will be a key time for any budget change as it becomes increasingly difficult to react to and anticipate savings.

Spend under/ (over) variance tolerance of 10%: *Overall, no material variance found or expected.*

Budget	% Variance	Comments
Training & Recruitment	12%	This underspend is due to less recruitment costs than expected at this point of the year, savings have been made on group recruitment campaigns. Expected to be utilised later in the year.
Project spend	(27%)	This tends to vary with progression of projects (June was underspent by 46%) – only billed at particular milestones. No over or underspend projected.
Communications	19%	The bulk of this underspend has come from one off ad hoc costs that we have not incurred yet such as surveys, ICON development and staff events. This expenditure is expected later in the year.
Financial costs	16%	Internal audit work has started later than planned, which has pushed billable milestones back, hence the underspend. Full costs expected later in the year.
Legal & Professional	17%	Legal costs are expected to fluctuate to budget because of the ad hoc nature of cases (prior month 48% underspent).

Financial Overview as at 31 July

Cash Flow

The cash flow remains consistently robust with reserves available in the event of a reduced income.

DP Income (see appendix)

Month	Budget*	Actual	Variance	%
April	1,558	1,458	(99)	(6%)
May	1,560	1,731	171	11%
June	1,655	1,698	43	3%
July	1,730	1,644	(86)	(5%)
August	1,518	1,645	127	8%
Subtotal	8,021	8,177	156	1.6%
September	1,897			
October	1,863			
November	1,763			
December	1,253			
January	2,080			
February	1,857			
March	1,969			
£ Year	*20,755			

*Budget reflects an uplift of 6% from the previous year.

The number of registrations has steadily increased from April 2017, showing an increase of 12,793 or 2.7% by the end of August, if this growth continues, we would expect fees to be 6.5% ahead of the previous year.

Recruitment

The target FTE for when GDPR goes live is currently estimated at 578.5 across the office. Based on payroll records as at the end of August, we are running at an actual FTE of 453.5 which leaves 115 roles left to be recruited, some in this financial year and some in 2018/19. This is a mix of ongoing back fill and new roles being brought on line. Note, agency roles are being used where appropriate to fill roles in the short term until a permanent position is recruited. Budget holders receive a detailed breakdown of staff down to team level each month for comment.

FTE Staff Analysis	Planned FTE	Actual FTE	Variance	Variance (inc agency)
Permanent Staff Band A	8.1	8.1	0.0	0.0
Permanent Staff Band B	38.6	33.9	4.7	0.0
Permanent Staff Band C	142.6	86.3	56.3	33.5
Permanent Staff Band D	178.9	137.9	41.0	44.4
Permanent Staff Band E	124.7	108.7	16.0	25.8
Permanent Staff Band F	63.8	52.8	11.0	10.0
Permanent Staff Band G	17.8	15.8	2.0	5.0
Permanent Staff Band H	4.0	4.0	0.0	1.7
Agency Staff Band B	0.0	2.0	(2.0)	
Agency Staff Band C	0.0	14.0	(14.0)	
Agency Staff Band D	0.0	0.0	0.0	
Agency Staff Band E	0.0	0.0	0.0	
Total FTE staff	578.5	463.5	115.0	115.0

Month End Financial Summary

MANAGEMENT REPORT

For the Five Months Ending 31
August 2017

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2016/17
	£	£	£	%	£	£
GRANT IN AID	1,562,500	1,562,500	0	-	3,795,000	3,790,000
DP FEE INCOME	8,020,927	8,176,764	-155,837	(1.9%)	20,754,800	19,729,439
DRIPA INCOME	82,500	82,500	0	-	330,000	330,000
BANK INTEREST	0	-75	75	-	0	75
TOTAL INCOME	9,665,927	9,821,689	155,762	(1.6%)	24,879,800	23,849,514
OFFICE COSTS	551,592	527,402	24,190	4.4%	1,400,616	1,523,289
STAFF COSTS	7,280,273	7,206,939	73,334	1.0%	18,164,094	16,029,657
TRAINING AND RECRUITMENT	229,997	201,866	28,131	12.2%	607,600	579,010
IT COSTS	1,137,164	1,164,197	-27,033	(2.4%)	2,713,825	2,505,735
PROJECT SPEND	481,114	611,879	-130,765	(27.2%)	534,675	688,500
COMMUNICATIONS	146,950	118,529	28,421	19.3%	388,400	507,460
FINANCIAL COSTS	25,750	16,220	9,530	37.0%	107,500	153,134
TRAVEL	205,489	197,229	8,260	4.0%	540,700	526,336
LEGAL, PROFESSIONAL & OTHER	283,313	235,696	47,617	16.8%	1,172,390	595,466
TOTAL COSTS	10,341,642	10,279,957	61,685	0.6%	25,629,800	23,108,588
CAPITAL SPEND	0	0	0	-	650,000	616,614
OPERATING SURPLUS	-675,715	-458,268	217,447	32.2%	-1,400,000	124,312
GIA PROGRAMME 1819 ADVANCE	420,000	420,000	0	-	1,400,000	0
SURPLUS	-255,715	-38,268	217,447	85.0%	0	124,312

*Project spend includes capital spend which is reviewed alongside the revenue budget. Actual movement of capital spend will be completed biannually.

Based on the above summary, we are currently in line with expected forecasts by less than 2% and 1% on income and expenditure respectively.

Civil Monetary Penalties (CMPs)

Below is the summary of those debts we still consider recoverable from the previous year plus new penalties issued to June 2017.

Gross debts B/fwd from 2016-17	594,600
Issued penalties gross	1,958,900
Issued prompt payment discount	(269,100)
Irrecoverable debts written off	-
Net	2,284,400
Receipts*	(1,135,100)
Balance	1,149,300

*Of this sum, £429,533 is due to be paid to the consolidated fund in September 2017.

Spending controls

The ICO is complying with the Cabinet Office Spending Controls Guidance v 4.0

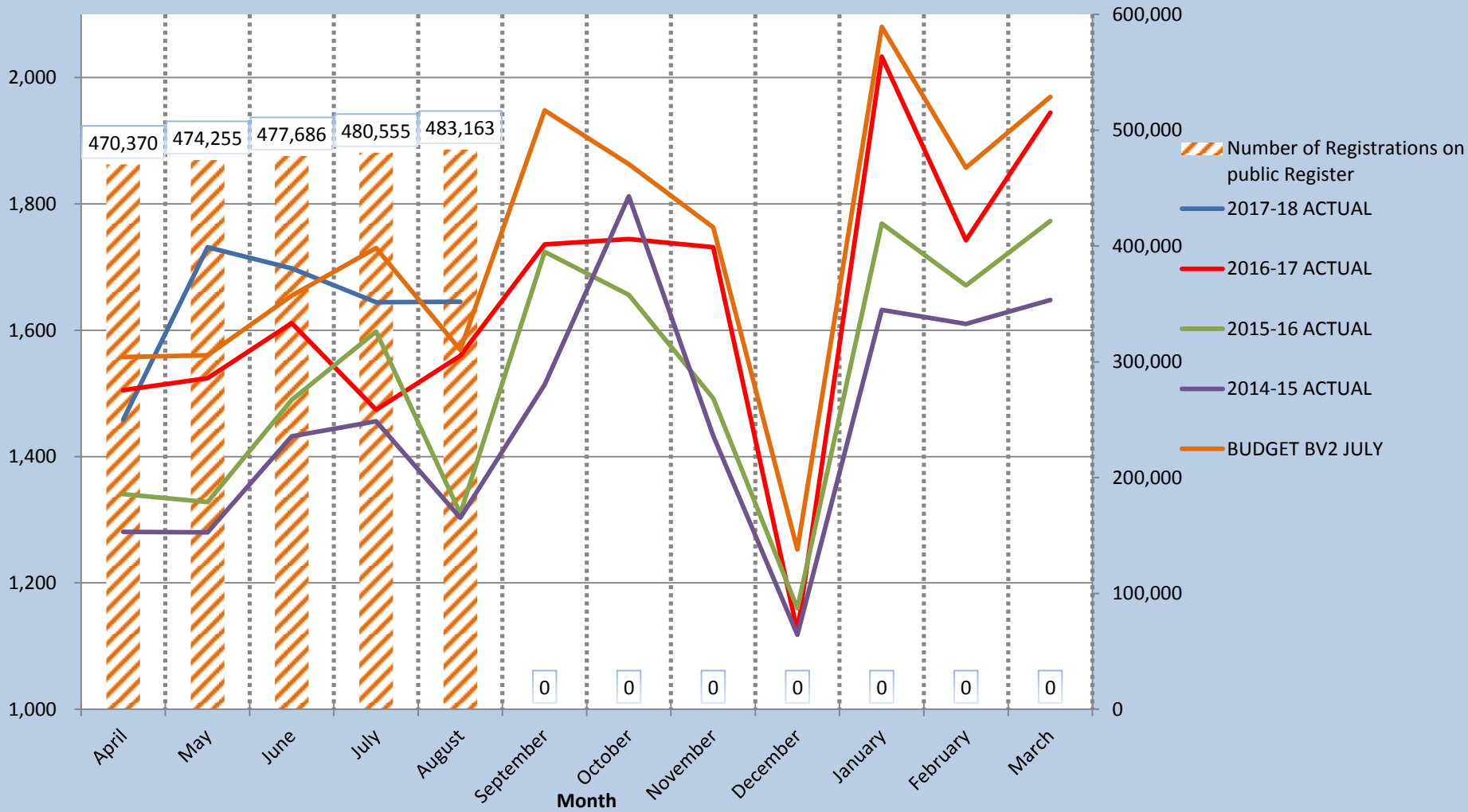
<https://www.gov.uk/government/publications/cabinet-office-controls/cabinet-office-controls-guidance-version-40>

Heather Dove
September 2017

Fee Income 2017/18

Fee income (£000)

Registration



INFORMATION COMMISSIONERS OFFICE

For the Twelve Months Ending 31 March 2018

	Actual Apr-16 £ (000)	Actual May-16 £ (000)	Actual Jun-16 £ (000)	Actual Jul-16 £ (000)	Actual Aug-16 £ (000)	Forecast Sep-16 £ (000)	Forecast Oct-16 £ (000)	Forecast Nov-16 £ (000)	Forecast Dec-16 £ (000)	Forecast Jan-17 £ (000)	Forecast Feb-17 £ (000)	Forecast Mar-17 £ (000)
Cash flows from operating activities												
Net Expenditure												
DP FEE INCOME	-1,458	-1,731	-1,698	-1,644	-1,645	-1,926	-1,841	-1,741	-1,231	-2,058	-1,835	-1,947
DRIPA INCOME	0	0	-83	0	0	-83	0	0	-83	0	0	-83
OFFICE COSTS	113	91	89	107	127	119	122	129	132	134	134	134
STAFF COSTS	1,432	1,413	1,425	1,456	1,469	1,601	1,630	1,618	1,642	1,674	1,683	1,121
TRAINING AND RECRUITMENT	40	49	28	52	33	55	55	57	65	58	60	56
IT COSTS	218	241	178	268	260	221	222	221	221	221	222	221
PROJECT SPEND	143	101	166	76	125	78	78	78	78	78	78	-572
COMMUNICATIONS	15	14	54	17	18	76	33	32	32	33	32	32
FINANCIAL COSTS	3	3	7	3	0	8	8	8	6	45	8	8
TRAVEL	40	53	44	41	19	45	49	62	24	36	26	102
LEGAL, PROFESSIONAL & OTHER	27	50	31	54	73	101	140	119	117	165	156	138
Net expenditure total	572	285	242	429	481	295	496	583	1,004	386	563	-790
Decrease in trade and other receivables	22	678	-6	233	-36	210	-273	7	7	-511	259	-140
Increase in trade payables	513	-913	-71	391	-266	-132	40	-32	-4	324	-172	8
Use of provisions	0	0	0	0	0	0	0	0	0	0	0	0
Net cash outflow from operating activities	1,107	50	165	1,052	180	373	263	558	1,007	199	649	-922
Cash flows from investing activities												
Capital Spend	0	0	0	0	0	0	0	0	0	0	0	650
Profit/Loss on Disposal of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0	0
Net cash outflow from investing activities	0	0	0	0	0	0	0	0	0	0	0	650
Cash flows from financing activities												
Grant in Aid	-313	-313	-313	-313	-313	-313	-313	-313	-313	-313	-313	-358
Grant in Aid Programme in Advance			-140	-140	-140	-140	-140	-140	-140	-140	-140	-140
Net cash flows from financing activities	-313	-313	-453	-453	-453	-453	-453	-453	-453	-453	-453	-498
Net increase/(decrease) in cash and cash equivalents in the year												
Net increase/(decrease) in cash	794	-262	-288	600	-273	-80	-190	106	554	-253	197	-770
Cash & equivalents- start of period	3,630	2,836	3,098	3,386	2,786	3,059	3,138	3,328	3,222	2,668	2,921	2,724
Cash & equivalents- end of period	2,836	3,098	3,386	2,786	3,059	3,138	3,328	3,222	2,668	2,921	2,724	3,494

MANAGEMENT REPORT

For the Five Months Ending 31 August 2017

	Year To Date				Full Year	Prior Year
	Budget £	Actual £	Variance £	Var % %	Forecast £	2016/17 £
GRANT IN AID	1,562,500	1,562,500	0	-	3,795,000	3,790,000
DP FEE INCOME	8,020,927	8,176,764	-155,837	(1.9%)	20,754,800	19,729,439
DRIPA INCOME	82,500	82,500	0	-	330,000	330,000
BANK INTEREST	0	-75	75	-	0	75
TOTAL INCOME	9,665,927	9,821,689	-155,762	(1.6%)	24,879,800	23,849,514
RENT	190,416	189,290	1,126	0.6%	488,500	646,378
RATES & BUILDING INSURANCE	113,873	113,838	35	0.0%	286,541	235,770
SERVICE CHARGES	24,616	26,877	-2,261	(9.2%)	80,500	33,624
CAR PARKING	3,000	2,955	45	1.5%	7,200	54,104
HEAT & LIGHT	42,335	31,302	11,034	26.1%	107,000	102,670
WATER	7,070	3,997	3,073	43.5%	22,875	17,067
CLEANING	30,980	33,746	-2,766	(8.9%)	74,100	88,463
SECURITY	24,583	22,303	2,280	9.3%	59,000	52,462
WASTE	1,666	1,735	-69	(4.1%)	4,000	5,797
REPAIRS & MAINTENANCE	25,150	28,826	-3,676	(14.6%)	75,500	49,277
MOTOR COSTS	0	0	0	-	0	-151
KITCHEN	15,865	14,555	1,310	8.3%	38,000	32,524
REMOVALS	0	379	-379	-	0	0
FURNITURE	15,500	1,766	13,734	88.6%	60,000	46,407
GENERAL EQUIPMENT	4,165	1,323	2,842	68.2%	10,000	8,191
STATIONERY	21,950	28,161	-6,211	(28.3%)	45,400	46,178
POSTAGE	25,450	21,182	4,268	16.8%	61,000	55,840
DOCUMENT DESTRUCTION	3,418	2,427	991	29.0%	8,000	5,768
OTHER	1,555	2,740	-1,185	(76.2%)	3,000	84,449
OFFICE COSTS CAPITALISED	0	0	0	-	-30,000	-41,529
TOTAL OFFICE COSTS	551,592	527,402	24,190	4.4%	1,400,616	1,523,289

MANAGEMENT REPORT

For the Five Months Ending 31 August 2017

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2016/17
	£	£	£	%	£	£
SALARIES	5,534,509	5,286,241	248,268	4.5%	13,699,445	12,062,267
OVERTIME	67,527	53,361	14,165	21.0%	152,291	110,106
PENSION	1,114,722	1,082,590	32,132	2.9%	2,801,703	2,452,706
NATIONAL INSURANCE	529,310	510,654	18,656	3.5%	1,343,363	1,150,172
AGENCY STAFF	0	242,067	-242,067	-	0	291,489
INWARD SECONDMENT	12,000	12,000	0	-	114,000	0
SALARIES INCOME	0	0	0	-	0	-68,616
PENSION INCOME	0	0	0	-	0	-14,582
NATIONAL INSURANCE INCOME	0	0	0	-	0	-7,829
NON EXEC BOARD MEMBER	22,205	20,026	2,179	9.8%	53,292	53,944
TOTAL STAFF COSTS	7,280,273	7,206,939	73,334	1.0%	18,164,094	16,029,657
RECRUITMENT	62,081	52,998	9,083	14.6%	182,850	166,022
RELOCATION EXPENSES	0	0	0	-	4,750	41,575
HEALTH & SAFETY	17,916	16,848	1,068	6.0%	60,000	46,860
APPRENTICESHIP LEVY	25,000	24,929	71	0.3%	60,000	0
FURTHER EDUCATION	2,500	744	1,757	70.3%	6,000	7,478
ALL STAFF SKILLS DEVELOPMENT	100,000	92,585	7,415	7.4%	170,000	302,965
SEMINARS AND CONFERENCES	5,000	1,914	3,086	61.7%	82,000	0
MANAGEMENT DEVELOPMENT	7,500	1,078	6,422	85.6%	18,000	14,111
CSL E LEARNING	0	0	0	-	3,500	0
CSL WORKSHOPS	0	0	0	-	3,500	0
PROFESSIONAL QUALIFICATIONS	10,000	10,769	-769	(7.7%)	13,500	0
INFORMATION TECHNOLOGY	0	0	0	-	3,500	0
TOTAL TRAINING AND RECRUITMENT	229,997	201,866	28,131	12.2%	607,600	579,010

MANAGEMENT REPORT

For the Five Months Ending 31 August 2017

	Year To Date				Full Year	Prior Year
	Budget £	Actual £	Variance £	Var % %	Forecast £	2016/17 £
HOSTING, WEB AND TELEPHONY	298,468	298,842	-374	(0.1%)	716,322	704,277
APP & DESKTOP SUPPORT	283,335	283,442	-107	(0.0%)	680,003	679,870
SOFTWARE LICENSING	202,084	201,506	579	0.3%	485,000	379,419
SECURITY CONTRACT	20,834	3,315	17,519	84.1%	50,000	54,482
NOTIFICATION PRINTING	100,000	96,006	3,994	4.0%	235,000	222,494
MANAGED PRINT	17,709	17,953	-244	(1.4%)	42,500	33,702
CARD PROCESSING CHARGES	54,400	51,290	3,110	5.7%	130,000	103,982
HARDWARE MAINTENANCE	20,834	66,356	-45,522	(218.5%)	50,000	70,975
GOV SECURE INTERNET	53,500	50,910	2,590	4.8%	120,000	0
TELEPHONY CALLS & BROADBAND	86,000	94,577	-8,577	(10.0%)	205,000	256,534
TOTAL IT COSTS	1,137,164	1,164,197	-27,033	(2.4%)	2,713,825	2,505,735
RESOURCES	0	374,346	-374,346	-	0	0
SOFTWARE	0	55,227	-55,227	-	0	0
HARDWARE	0	30,751	-30,751	-	0	0
SUNDRY (OTHER)	481,114	18,872	462,242	96.1%	1,154,675	1,263,585
PROJECT COSTS TBA	0	132,683	-132,683	-	0	0
PROJECT WORK CAPITALISED	0	0	0	-	-620,000	-575,085
TOTAL PROJECT SPEND	481,114	611,879	-130,765	(27.2%)	534,675	688,500
CAMPAIGNS, MEDIA RELATIONS & PR	13,000	16,845	-3,845	(29.6%)	31,200	24,665
MEDIA MONITORING	26,700	15,947	10,753	40.3%	79,200	135,625
DESIGN & PRINT	17,750	20,724	-2,974	(16.8%)	55,000	40,922
DISTRIBUTION	16,666	12,372	4,294	25.8%	40,000	25,774
SURVEYS	20,500	6,900	13,600	66.3%	66,000	26,779
CONFERENCES GENERAL	34,000	34,440	-440	(1.3%)	104,000	269,310
CONFERENCE INCOME	0	0	0	-	-25,000	-48,686
ICON DEVELOPMENT	4,250	0	4,250	100.0%	15,000	0
STAFF EVENTS	9,500	1,736	7,764	81.7%	12,000	19,578
WEB MAINTENANCE	4,584	9,566	-4,982	(108.7%)	11,000	13,493
TOTAL COMMUNICATIONS	146,950	118,529	28,421	19.3%	388,400	507,460

MANAGEMENT REPORT

For the Five Months Ending 31 August 2017

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2016/17
	£	£	£	%	£	£
BANK CHARGES	0	557	-557	-	37,500	47,624
EXTERNAL AUDIT	13,750	11,042	2,708	19.7%	33,000	32,500
INTERNAL AUDIT	12,000	4,181	7,819	65.2%	37,000	69,431
CORPORATION TAX	0	0	0	-	0	17
BAD DEBT WRITE OFF	0	440	-440	-	0	3,562
TOTAL FINANCIAL COSTS	25,750	16,220	9,530	37.0%	107,500	153,134
CAR HIRE	2,873	1,625	1,248	43.4%	9,500	5,251
TRAVEL HOSTING	0	1,194	-1,194	-	0	226
TRAVEL UK	154,761	156,461	-1,699	(1.1%)	408,500	445,577
TRAVEL OVERSEAS	57,562	49,429	8,134	14.1%	139,700	97,136
TRAVEL INCOME - UK	-3,997	-346	-3,651	91.3%	-7,000	-6,526
TRAVEL INCOME - OVERSEAS	-5,710	-11,133	5,423	(95.0%)	-10,000	-15,328
TOTAL TRAVEL	205,489	197,229	8,260	4.0%	540,700	526,336
LEGAL	172,723	118,051	54,672	31.7%	729,000	349,017
LEGAL COSTS RECOVERED	-7,138	-2,968	-4,170	58.4%	-25,000	-27,109
LIBRARY & SUBSCRIPTIONS	29,250	24,101	5,149	17.6%	65,900	54,354
PROFESSIONAL MEMBERSHIPS	4,050	3,579	472	11.6%	14,250	10,714
RESEARCH	24,000	17,640	6,360	26.5%	115,000	35,634
RESEARCH GRANTS FUND	6,000	6,000	0	-	125,000	0
PROFESSIONAL SERVICES	43,688	71,245	-27,557	(63.1%)	137,500	163,404
STAFF RECOGNITION	10,740	-1,952	12,692	118.2%	10,740	9,452
TOTAL LEGAL, PROFESSIONAL & OTHER	283,313	235,696	47,617	16.8%	1,172,390	595,466

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OPERATING SURPLUS	-675,715	-458,268	-217,447	32.2%	-1,400,000	124,312
GIA PROGRAMME 1819 ADVANCE	420,000	420,000	0	-	1,400,000	0
SURPLUS	-255,715	-38,268	-217,447	85.0%	0	124,312

FTE Staff Analysis

Permanent Staff Band A	0.0	8.1	(8.1)	0.0	0.0	0.0
Permanent Staff Band B	0.0	33.9	(33.9)	0.0	0.0	0.0
Permanent Staff Band C	0.0	86.3	(86.3)	0.0	0.0	0.0
Permanent Staff Band D	0.0	137.9	(137.9)	0.0	0.0	0.0
Permanent Staff Band E	0.0	108.7	(108.7)	0.0	0.0	0.0
Permanent Staff Band F	0.0	52.8	(52.8)	0.0	0.0	0.0
Permanent Staff Band G	0.0	15.8	(15.8)	0.0	0.0	0.0
Permanent Staff Band H	0.0	4.0	(4.0)	0.0	0.0	0.0
Agency Staff Band B	0.0	2.0	(2.0)	0.0	0.0	0.0
Agency Staff Band C	0.0	14.0	(14.0)	0.0	0.0	0.0
Total FTE staff	0.0	463.5	(463.5)	0.0	0.0	0.0